

Used Vehicles and Taxes: Frequently Asked Questions

I bought my vehicle in a private sale. Do I have to pay tax when I register it?

Yes. Taxes are due at the time of registration and will be collected by Service New Brunswick before you can obtain a valid registration.

How much tax will I pay?

You will pay 15% tax on the fair value of the vehicle.

How does the Department of Finance determine the fair value of my vehicle?

The fair value of a vehicle for purposes of taxation is the greater of its actual purchase price and its average wholesale value. Where the purchase price falls within \$1000 of the average wholesale value the fair value is determined to be the purchase price.

Are there minimum fair values for taxation?

Yes. Minimum fair values for the purpose of taxation are \$1000 for motor vehicles, \$500 for motorcycles and \$500 for off-road vehicles.

How is the average wholesale value determined?

The average wholesale value is determined through the use of the Red or Blue Book. These books are standard valuation tools used by many jurisdictions and the books take into account a variety of factors that affect the resale values of vehicles. The Red Book for Newer Vehicles and the Blue Book list average wholesale values based on the Vehicle Identification Number and this value is used by SNB at the time of registration. The Red Book for Older Vehicles does not list an average but rather a high and a low value. Legislation states the high wholesale and the low wholesale values

will be added together and the result will be divided by two to obtain the average wholesale value.

Where a vehicle does not appear in the Red or Blue Book other valuation tools will be used by the Department of Finance to determine the fair value.

Why won't the SNB representative accept an appraisal to determine the fair value of my vehicle?

In an effort to ensure fairness, consistency and efficiency in determining the tax on vehicles, the Department of Finance recently amended the Regulation and removed the appraisal as a tool for establishing the fair value of vehicles. This change came into effect on November 30th, 2015.

What can I do if my vehicle has exceptionally high mileage or is extensively damaged and I do not feel that the fair value for taxation actually reflects the value of my vehicle?

You may register your vehicle and pay the tax on the greater of the book value and the purchase price and then file a refund request with the Department of Finance.

Who can I contact if I have questions or concerns about the taxation of my vehicle?

Please contact the Revenue Administration Division of the Department of Finance at 1-800-669-7070 or via email at wwwfin@gnb.ca . You may also write to the Department at P.O. Box 3000, Fredericton, NB E3B 5G5.